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Message Text

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ACTION EB-08

INFO OCT-01 EA-09 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15 OES-07
SP-02 SS-15 STR-04 TRSE-00 ACDA-10 FMC-02 DOTE-00
CG-00 PA-02 PRS-01 /118 W
----------117445 121149Z /41
P R 120908Z AUG 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 3110
INFO AMEMBASSY BANGKOK
AMEMBASSY KUALA LUMPUR
AMCONSUL MEDAN
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
AMCONSUL SURABAYA

UNCLAS JAKARTA 10823

E.O. 11652: N/A
TAGS: ENRG, EFIN, ID
SUBJ: PERTAMINA'S LEASED TANKERS: RAPPAPORT SETTELEMENT

1. INDONESIA HAS REACHED SETTLEMENT WITH INTER MARITIME MANAGE-
MENT (IMM) OF GENEVA ON DISPUTED TANKER CONTRACTS INVOLVING
FIFTEEN VESSELS. ACCORDING TO ANNOUNCEMENT MADE BY MINISTER OF
TRADE RADIUS PRAWIRO AT PRESS CONFERENCE YESTERDAY AFTERNOON
(AUGUST 11), GOI WILL PAY IMM, OF WHICH SHIPBROKER, BRUCE
RAPPAPORT IS A PRINCIPAL, SUM OF $150 MILLION ON CHARTER OB-
LIGATIONS WORTH APPRIOXIMATELY $1.55 BILLION. AMOUNT WILL BE
PAYABLE WITHOUT INTEREST IN FOUR INSTALLMENTS BETWEEN NOW AND
1980. SETTLEMENT ALSO PROVIDES FOR IMM TO SURRENDER PROMISSORY
NOTES IN AGGREGATE PRINCIPAL AMOUNT OF $1.266 BILLION TO
PERTAMINA.

2. SETTLEMENT WAS SIGNED BY PERTAMINA PRESDIENT DIRECTOR
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HARYONO. ACTUAL NEGOTIATIONS HAD BEEN UNDER SUPERVISION
OF MINISTERS RADIUS AND SUMARLIN. IMM GROUP, REPRESENTED
BY ALBERT EDELMAN OF NEW YOURK, CONCLUDED SETTLEMENTS ON
BEHALF OFRWSU MARITIMA, MARTROPICO, NEPTUNEA ATLANTICA,
AND INTERMARITIME TANKERS.

3. THIS LATEST AGREEMENT BRINGS NUMBER OF OCEAN-GOING

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TANKERS SETTLED BY PERTAMINA TO 27. TOTAL CONTINGENT
LIABILITIES OF$2.28 BILLION IN RRSPECT OF THESE CHARTERS
HAVE BEEN REDUCED TO $255.8 MILLION.

4. ACCORDING TO RADIUS, TOTAL AOUSTANDING CONTINGENT
LIABILITIES ON REMAINING UNSETTLED CHARTER PARTIES FOR
SEVEN OCEAN-GOING TANKERS AND TWO BARGES ARE APPROXI-
MATELY $470 MILLION. NEGOTIATIONS ON THESE CONTRACTS
ARE ALSO PRECEEDING.

5. TWO MINISTERS ISSUED JOINT STATMENT TO FOREIGN AND
LOCAL PRESS, WHICH STATED INTERALIA"WE THINK IS IS
FAIR TO SAY THAT FOR ALL EFFECTIVE PURPOSES THE OCEAN
TANKER CHARTER PROBLEM IS NOW BEHIND US...IN SPITE OF
THE DIFFICULTIES POSED BY LITIGATIONS ON THE
PERTAMINA TANKER DISPUTES, THE INDONESIAN GOVETNMENT HAS
THROUGHOUT MET FULLY AND ON SCHEDULE ALL OF ITS FINANCIAL
OBLIGATIONS UNDER VAROUS INTERNATIONAL COMMERCIAL LOAN
AGREEMENTS .WE ARE AWARE THAT THE EVENTS OF THE PAST
TWO YEARS MAY HAVE CAUSED SOME UNCERTAINTIES IN THE
INTERNATIONAL FINANCIAL COMMUNITY; HOWEVERN, WE FEEL THAT
THE GOVERNMENT'S PERFORMANCE WITH RESPECT TO THESE OB-
LIGATIONS SERVES AS EVIDENCE OF INDONESIA' RESPONSIBLE
EXECUTION OF ITS INTERNATIONAL FINANCIAL COMMITMENTS.
WITH THE RESOLUTION OF THE BULK OF THE PERTAMINA TANKER
DISPUTES, THE GOVERNMENT'S CAPACITY TO MEET FUTURE
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FINANCIAL OBLIGATIONS IS CONSIDERABLY ENHANCED."
RIVES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART10823
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770290-1256
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770868/aaaacfkk.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b656755b-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1620477
Secure: OPEN
Status: NATIVE
Subject: PERTAMINA\'S LEASED TANKERS: RAPPAPORT SETTELEMENT
TAGS: ENRG, EFIN, EWWT, ID, PERTAMINA
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/b656755b-c288-dd11-92da-001cc4696bcc
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